

Year 2023 State of Wisconsin/Regional Economic Analysis



Department of Workforce Development
prepared by Office of Economic Advisors

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US Department of Labor
Employment and Training Administration**

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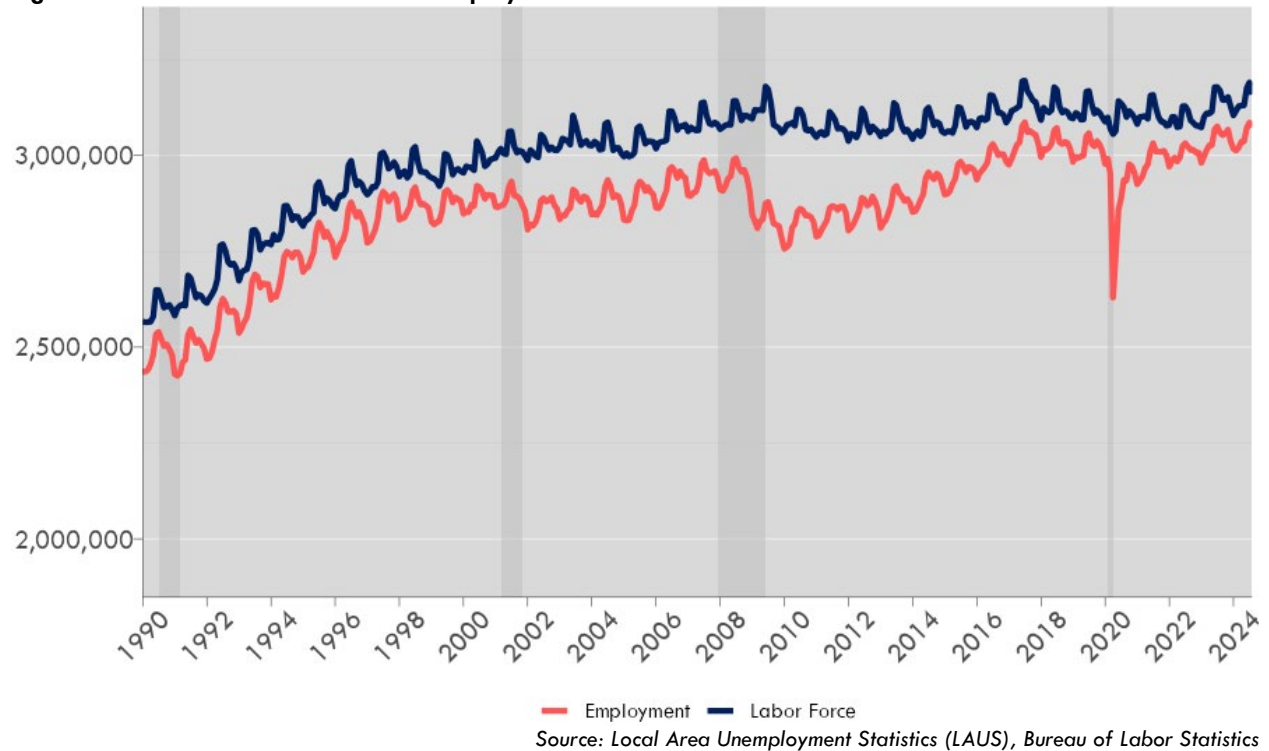
Part I - Statewide Analysis

Wisconsin's economy broke numerous records during 2023, as the national economy grew at a moderate pace.

During the first quarter of the year, the state hit record low seasonally adjusted unemployment rates, while also achieving record lows in initial and continuing weekly unemployment insurance claims. While rates ticked up throughout the rest of the year primarily, driven by labor force growth, they remained historically low. Unemployment insurance claims remained near 2022 levels, varying between new record lows to just above prior year levels throughout the year. Nonfarm jobs generally trended moderately upwards during the year, with some dips in spring and early summer. Construction employment grew during the first quarter of 2023, flattening out until fall, when stronger growth that would carry into 2024 began. Manufacturing, an important industry in Wisconsin, continued the downward employment trend of late 2022 through the first half of 2023, beginning to rise again in the fourth quarter. However, it's important to remember that jobs represent a filled position, which means these measures can be impacted by demographics. Baby boomers continue to age out of the labor force, leaving unfilled positions in their wake.

Wisconsin's real GDP was essentially flat the first half of 2023 but reached new record highs by the end of the year. The state concluded the fiscal year with a record high state surplus over \$7 billion. Though some will be spent down over the course of the coming fiscal years, the state is still projected to end the 2024-2025 budget cycle with about \$4 billion.

Figure 1: Wisconsin's Labor Force and Employment



While Wisconsin's year-ending labor force participation rate of 65.9% remained more than 3 percentage points above the national average of 62.5%, demographic trends, primarily the aging and retirement of baby boomers, contributed to the labor quantity challenge. Concerns over inflation defined the year, though the inflation rate fell throughout the year. This continued trends from late 2022; from a 6.4% annual inflation rate in January 2023 to 3.4% in December 2023. As of this report, the Federal Reserve has finally cut rates 50 basis points at their September 2024 meeting.

As demand for workers grew throughout 2023, employers continued to voice concerns about their inability to attract talent and workers in general. This is unlikely to change in the foreseeable future. The primary underlying challenge is the demographic situation as baby boomers exit the workforce. This lifecycle event will continue to complicate employers' ability to find workers and talent. These demographic problems extend beyond Wisconsin and affect the upper Midwest, the U.S. as a whole, much of Western Europe, and in fact, the developed world. Even China faces a talent shortage.

Short-Run Outlook

The short-run outlook for the state looks moderately positive. Job levels continue at high levels, registering gains in 9 out of 12 months in 2023, though what data we have from 2024 indicates slower growth than 2023.

Job gains coupled with higher wages translate into healthy consumption, which makes up about two-thirds of the economy. Real personal consumption expenditures mostly rose throughout 2023, ending the year up 2.2%. As inflation fell, real wage gains grew steadily throughout 2023. With continued job and wage gains, consumption will be the underpinning of economic growth.

The inflation rate has fallen, but the cost of shelter especially has proven difficult to tame. This is directly related to high demand for housing; while supply, most notably in the low and middle income price ranges, has failed to keep up. This impact on both home prices and rent continues to be an outsized cost for American consumers, eating up a disproportionate share of income.

The most prominent economic risk is the Federal Reserve's actions aggressively combatting inflation through higher interest rates. While the Fed has cut rates as of September 2024, it takes time for rate movements to impact the economy. This means a real risk remains that the Fed may have waited too long to cut rates while national unemployment rates rose, job openings declined, and credit card bill delinquency grew. However, unemployment rates and credit card bill delinquency are still quite low historically. The job openings to unemployment ratio in Wisconsin is still running at 1.56 – meaning there are still roughly half as many more job openings than there are currently unemployed workers to fill them. Whether the Fed has achieved the soft landing it was aiming for remains to be seen.

Businesses continue to voice lack of workforce talent as the primary constraint on production growth. Pursuit of the workers has brought about increased wages, benefits, signing bonuses, flexibility, and other incentives to attract workers. According to the 2022 BLS Business Response Survey, 10.8% of Wisconsin employers had recently raised starting pay and 17.3% offered at least some teleworking flexibility. However, other workforce barriers such as transportation, dependent care, housing affordability, and broad band availability (especially as it pertains to telework opportunities) continue to impact labor force availability.

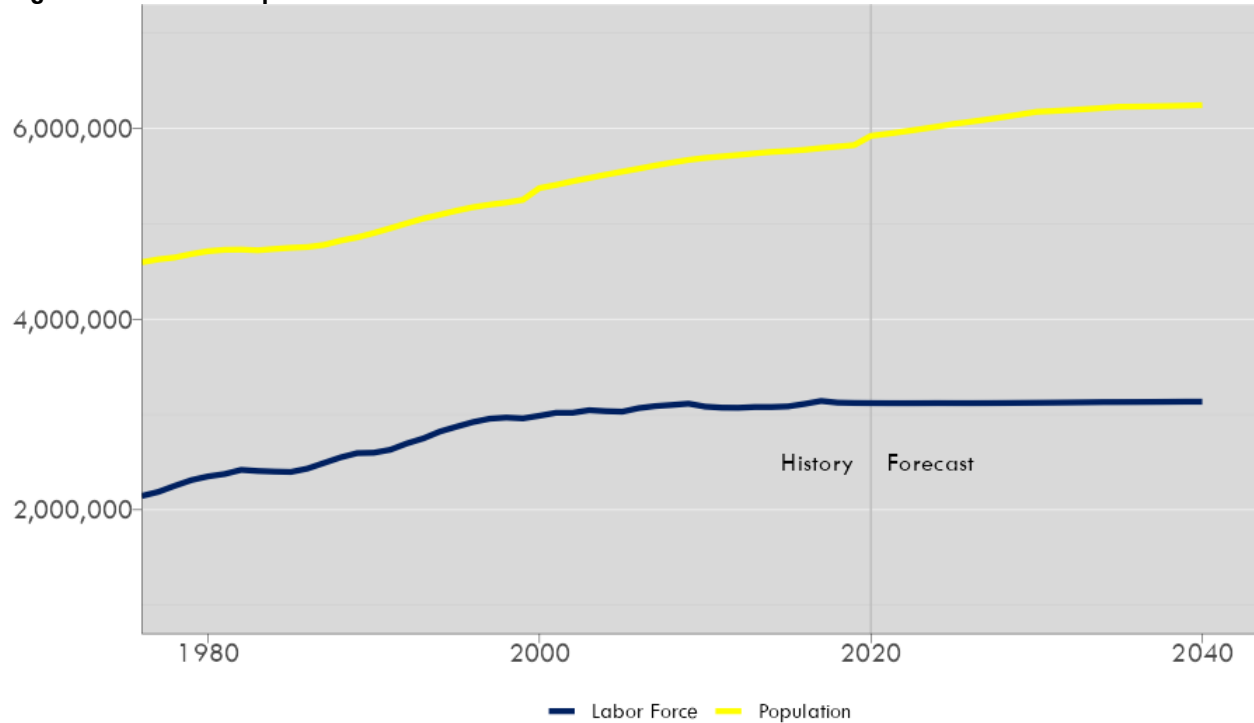
Long-Run Challenge

Workforce quantity is the primary challenge facing Wisconsin's economic future. The demographic dynamics facing the state, other upper-Midwest states, the U.S., and most of the developed economies will advance unaltered in the coming decades.

While Wisconsin's population will continue to grow over the next 20 years, the workforce faces serious constraints. The labor force trend began to seriously flatten in 2008 after slowing in the late 1990s as the first baby boomers (those born in 1946) reached age 62 and began to leave the workforce. Baby boomers continue to exit the workforce in great numbers and will continue to do so over the next 20 years.

The number of retiring baby boomers nearly match the influx of new workers, resulting in a slow-growing workforce. This constrains employers' ability to secure talent across industries. Many businesses report that the lack of available workers has hindered expansion, even curtailing the ability to meet current business needs in some cases.

Figure 2: Wisconsin Population and Labor Force



Source: WI DWD, OEA Special Tabulation

It is vital that as a state we act to attract, create, and retain talent, while supporting the quality-of-life amenities that appeal to talent and employers.

Artificial intelligence (AI) has emerged as both a risk to employment levels and a tool to address worker shortages. Rapidly evolving disruptive technology impacts are inherently difficult to predict. What happens next will depend on:

- Choices by individuals over how to incorporate AI into their life and work.
- Choices by businesses about whether and how to adopt AI into their business models and workflows.
- Choices by AI vendors over product development and pricing.
- Choices by federal and state policymakers about how to regulate AI.

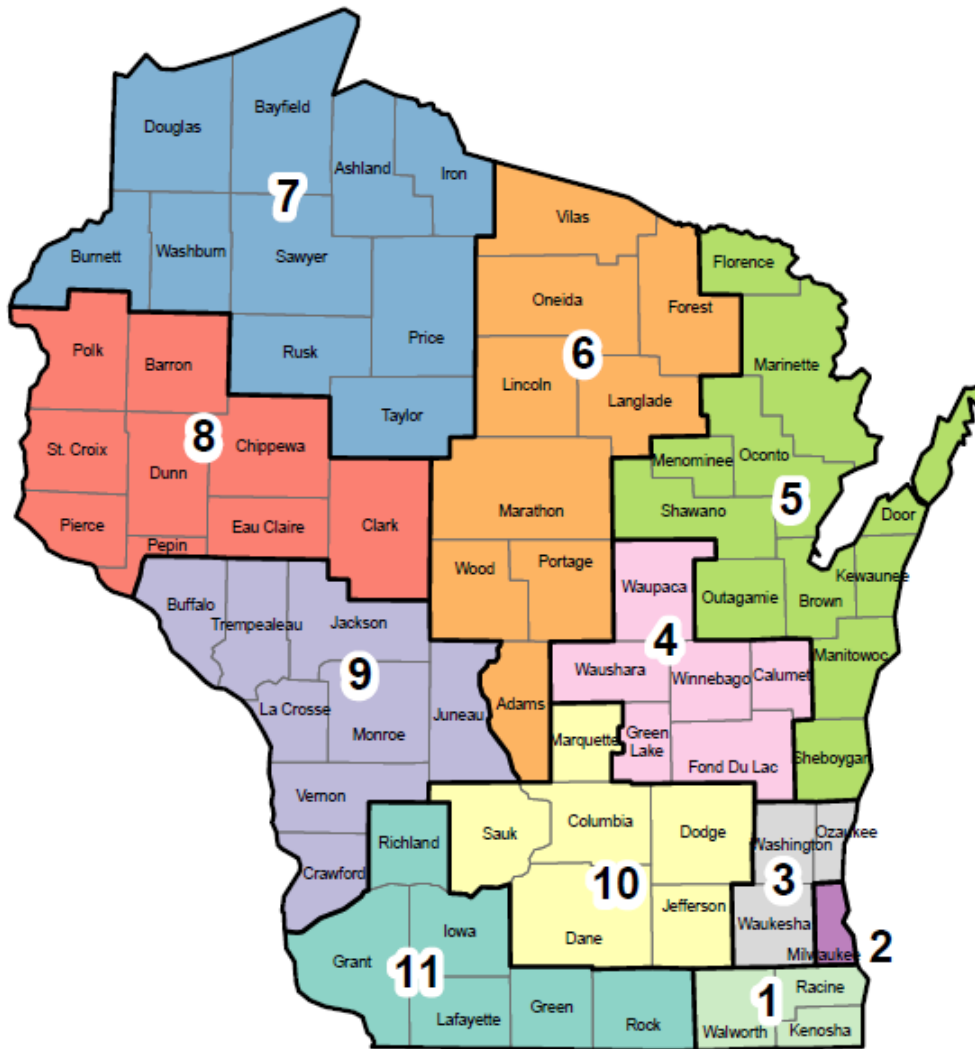
We have translated multiple nation-level studies on tasks that AI could currently perform within DOL occupations to the state level. This work has raised some interesting questions. These "AI exposure" measures do not tell us which occupations will be replaced and which augmented, nor can they help us predict what new occupations will spring into being around this new technology. But it is worth noting that most occupations will be exposed to AI in some form, even those impacted by previous waves of automation. While metro areas will tend to have a higher proportion of jobs with high AI exposure, throughout the state the percent of employment with above average AI exposure ranges from 43% to 55%, implying that this will impact all regions of the state. One possible concern is that many of these occupations are in higher wage categories than those impacted by past automation trends – a concerning issue if they are replaced by AI rather than augmented.

The state's infrastructure will need to evolve to meet these new technological demands (broadband, power, water, etc.) to stay competitive, and the skills of our workers will need to evolve rapidly as well. The rate at which this technology has advanced exponentially so far; now more than ever, workers will need to continually adapt their skills to a rapidly changing employment landscape.

Workers' skills must align with skills demanded by the position. If you have the talent and not the job, the talent goes elsewhere. If you have the job and not the talent, the job goes elsewhere. For Wisconsin to successfully compete in the global economy, the state needs to attract and retain everybody it can and educate and train everybody to match the requirements of the new technologies.

Part II – Regional Economic Brief of Wisconsin's Workforce Development Areas (WDAs)

Wisconsin's Workforce Development Areas



 WDA 1 - Southeast	 WDA 5 - Bay Area	 WDA 9 - Western
 WDA 2 - Milwaukee	 WDA 6 - North Central	 WDA 10 - South Central
 WDA 3 - WOW	 WDA 7 - Northwest	 WDA 11 - Southwest
 WDA 4 - Fox Valley	 WDA 8 - West Central	

Bay Area WDA

The Bay Area Workforce Development Area (WDA) is composed of 11 counties in northeastern Wisconsin: Brown, Door, Florence, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Outagamie, Shawano, and Sheboygan. It is not the most populous Workforce Development Area, nor does it contain the largest labor force or job base. Further, because the area is geographically large, changes in the labor force, jobs, wages, and income will vary, sometimes significantly, from one county to the next.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	442,228	437,071	1.2%
Employment	429,898	425,281	1.1%
Unemployment	12,330	11,790	4.6%
Unemployment Rate	2.8%	2.7%	3.7%

In calendar year 2023, Bay Area's labor force totaled 442,228 participants consisting of 429,898 employed and 12,330 unemployed. From 2022 to 2023, the labor force increased by 5,157 participants, or 1.2 percent. While the number of employed rose by 1.1 percent over the year, the number of unemployed rose by 4.6 percent.

The Bay Area's unemployment rate was 2.8 percent in 2023; a 0.1 percentage point increase from 2022. This rate was lower than the statewide rate of 3.0 percent. In recent years, the Bay Area region has consistently experienced a lower unemployment rate than that seen statewide.

The Bay Area's Labor Force Participation Rate (LFPR) in 2023 was 64.8 percent. The regional LFPR increased by 0.7 percentage points relative to 2022.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	420,064	416,263	0.9%	1.5%
Construction	23,362	22,500	3.8%	4.2%
Education & Health Services	84,513	82,757	2.1%	2.6%
Financial Activities	19,409	21,822	-11.1%	1.0%
Information	3,210	3,145	2.1%	2.5%
Leisure & Hospitality	43,099	41,438	4.0%	5.6%
Manufacturing	92,897	93,008	-0.1%	-0.5%
Natural Resources & Mining	6,710	6,476	3.6%	2.0%
Other Services	10,837	10,513	3.1%	1.9%
Professional & Business Services	39,521	38,843	1.7%	1.2%
Public Administration	15,668	15,676	-0.1%	1.0%
Trade, Transportation, Utilities	80,113	79,390	0.9%	1.2%

In calendar year 2023, the total job base in the Bay Area region numbered 420,064 jobs; 3,801 more jobs than in 2022, up about 0.9 percent.

The **Financial Activities (-11.1 percent)** and **Manufacturing (-0.1 percent)** supersectors experienced the most notable employment declines in 2023. The local manufacturing employment decline is consistent with the broader statewide trend and could potentially be attributed to tighter monetary conditions following the inflationary post-pandemic period. However, the decline in **Financial Activities** employment is a much more localized phenomenon. Within the Bay Area WDA, these losses were almost entirely accounted for by the region's two largest counties: Brown (-1,948) and Outagamie (-569). Florence, Kewaunee, and Shawano Counties all experienced a decline of two jobs in this industry. These declines more than offset the minor employment gains in counties such as Manitowoc (+64), Sheboygan (+21), and Door (+19).

Among the local supersectors that gained jobs in 2023, three experienced higher annual growth rates than the state as a whole: **Natural Resources & Mining (3.6 percent)**, **Other Services (3.1 percent)**, and **Professional & Business Services (1.7 percent)**.

Total area wages increased from \$23.3 billion in 2022 to \$24.2 billion in 2023. Area wages grew by \$888 million (3.8 percent) from 2022 to 2023; this rate was lower than the statewide rate of 4.8 percent. Previously unmentioned industries that experienced relatively high total wage gains include **Construction (9.8 percent)**, **Information (5.3 percent)**, and **Leisure & Hospitality (4.8 percent)**. The previously mentioned **Financial Activities** supersector was the only one to experience a decline in total wages (-6.6 percent).

Fox Valley WDA

The Fox Valley Workforce Development Area (WDA) is composed of six counties in northeastern Wisconsin: Calumet, Fond du Lac, Green Lake, Waupaca, Waushara, and Winnebago.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	223,247	222,088	0.5%
Employment	217,134	216,229	0.4%
Unemployment	6,113	5,859	4.3%
Unemployment Rate	2.7%	2.6%	3.8%

In calendar year 2023, Fox Valley's labor force totaled 223,247 participants consisting of 217,134 employed and 6,113 unemployed. From 2022 to 2023, the labor force gained 1,159 participants: a 0.5 percent increase. While the number of employed rose by 0.4 percent over the year, the number of unemployed rose by 4.3 percent.

The Fox Valley's unemployment rate was 2.7 percent in 2023; a 0.1 percentage point increase from 2022. This rate was lower than the statewide rate of 3.0 percent. Generally, the Fox Valley region experiences a lower unemployment rate than that seen statewide.

The Fox Valley's Labor Force Participation Rate (LFPR) in 2023 was 65.0 percent. The regional LFPR increased by 0.5 percentage points relative to 2022.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	185,268	183,747	0.8%	1.5%
Construction	10,967	10,933	0.3%	4.2%
Education & Health Services	35,716	34,775	2.7%	2.6%
Financial Activities	7,438	7,293	2.0%	1.0%
Information	217	221	-1.8%	2.5%
Leisure & Hospitality	16,463	15,442	6.6%	5.6%
Manufacturing	43,581	45,327	-3.9%	-0.5%
Natural Resources & Mining	3,427	3,413	0.4%	2.0%
Other Services	698	703	-0.7%	1.9%
Professional & Business Services	17,359	16,887	2.8%	1.2%
Public Administration	8,786	8,676	1.3%	1.0%
Trade, Transportation, Utilities	32,767	32,658	0.3%	1.2%

In calendar year 2023, the total job base in the Fox Valley region numbered 185,268 jobs; 1,521 more jobs than in 2022, up about 0.8 percent.

Three local supersectors stand out in terms of annual employment gains: **Leisure & Hospitality (1,021)**, **Education & Health Services (941)**, and **Professional & Business Services (472)**. **Financial Activities, Public Administration**, and **Trade, Transportation, Utilities** also gained over 100 jobs in 2023.

The **Manufacturing** supersector saw the largest numerical and proportional job declines in the Fox Valley, down 1,746 jobs over the year (3.9 percent). Four of the six counties in the region experienced manufacturing employment declines, but most of the losses occurred in Fond du Lac (-1,071) and Winnebago (-406) Counties.

Total area wages increased from \$10.2 billion in 2022 to \$10.5 billion in 2023. Area wages grew by \$316 million (3.1 percent) from 2022 to 2023; this rate was lower than the statewide rate of 4.8 percent. Industries that experienced relatively high total wage gains include **Leisure & Hospitality (10.2 percent)**, **Public Administration (9.6 percent)** and **Construction (4.2 percent)**. **Information** and **Manufacturing** were the only two local industries where total wages decreased in 2023 (-0.4 percent and -2.2 percent respectively).

Milwaukee WDA

The Milwaukee Workforce Development Area consists of Milwaukee County, which is in the southeastern part of the state. The Milwaukee WDA holds the distinction of being Wisconsin's only single county WDA. However, it is undoubtedly linked to its surrounding regions, and it would be naïve to ignore the regional interdependence. The relatively small geographic size of Milwaukee provides the opportunity for employers to draw from a potential workforce that includes surrounding areas, and Milwaukee WDA residents can look outside the region for desirable career prospects.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	466,290	461,542	1.0%
Employment	448,733	444,682	0.9%
Unemployment	17,557	16,860	4.1%
Unemployment Rate	3.8%	3.7%	2.7%

In calendar year 2023, Milwaukee's labor force totaled 466,290 participants consisting of 448,733 employed and 17,557 unemployed. From 2022 to 2023, the labor force gained 4,748 participants: a 1.0 percent increase. While the number of employed rose by 0.9 percent over the year, the number of unemployed rose by 4.1 percent.

The Milwaukee's unemployment rate was 3.8 percent in 2021; a 0.1 percentage point increase from 2022. This rate was higher than the statewide rate of 3.0 percent. Generally, the single county WDA experiences a higher unemployment rate than that seen statewide.

Milwaukee's Labor Force Participation Rate (LFPR) in 2023 was 63.3 percent. The regional LFPR increased by 0.7 percentage points relative to 2022.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2022	WDA Monthly Employment 2023	WDA Percent Change	Percent Change Statewide
Total, All Industries	463,793	467,332	0.8%	1.5%
Construction	11,898	12,816	7.7%	4.2%
Education & Health Services	136,212	139,307	2.3%	2.6%
Financial Activities	29,621	28,709	-3.1%	1.0%
Information	8,301	8,049	-3.0%	2.5%
Leisure & Hospitality	47,028	49,809	5.9%	5.6%
Manufacturing	47,796	48,082	0.6%	-0.5%
Natural Resources & Mining	74	85	14.9%	2.0%
Other Services	13,590	13,506	-0.6%	1.9%
Professional & Business Services	72,367	70,594	-2.5%	1.2%
Public Administration	18,995	19,218	1.2%	1.0%
Trade, Transportation, Utilities	77,910	77,158	-1.0%	1.2%

In calendar year 2023, the total job base in the Milwaukee region numbered 467,332 jobs; 8,378 more jobs than in 2022, up 0.8 percent. The **Education & Health Services** supersector saw the largest numeric increase with 3,095 additional jobs over the year: up 2.6 percent. **Leisure & Hospitality** increased at the fastest rate with growth of 5.6 percent or 2,781 additional jobs.

Total area wages increased from \$30.0 billion in 2022 to \$31.0 billion in 2023. Area wages grew by \$1.0 billion (3.4 percent) from 2022 to 2023; this rate was lower than the statewide rate of 4.8 percent. Previously unmentioned industries that experienced relatively high total wage gains include **Construction (+16.7%)** and **Manufacturing (+9.9%)**. **Professional & Business Services** was the only industry to measure a decline in total wages (-1.2%).

North Central WDA

The North Central Workforce Development Area (WDA) consists of nine counties located in the Northern center of Wisconsin: Adams, Forest, Langlade, Lincoln, Marathon, Oneida, Portage, Vilas, and Wood counties. Notable for this region is the relatively higher median age seen in many of the counties.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	208,550	207,720	0.4%
Employment	201,807	201,332	0.2%
Unemployment	6,743	6,388	5.6%
Unemployment Rate	3.2%	3.1%	3.2%

In calendar year 2023, North Central's labor force totaled 208,550 participants consisting of 201,807 employed and 6,743 unemployed. From 2022 to 2023, the labor force increased by 830 participants; a 0.4 percent increase. The number of employed increased by 0.2 percent over the year and the number of unemployed increased by 5.6 percent over the year.

The North Central region's unemployment rate was 3.2 percent in 2023, down from 3.1 percent in 2022. This rate was still higher than the statewide unemployment rate of 3.0 percent. Generally, the North Central region experiences a higher unemployment rate than that seen statewide.

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). North Central Wisconsin's labor force participation rate (LFPR) in 2023 was 60.1 percent, sitting well below the state's LFPR of 65.3 percent. While the region's LFPR increased by 0.3 percentage points relative to 2022, LFPRs have been declining over time. This long-term trend is expected to continue as the baby boomer population continues to age, applying a downwards pressure on the rate.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	188,988	188,790	0.1%	1.5%
Construction	8,299	7,927	4.7%	4.2%
Education & Health Services	39,413	39,628	-0.5%	2.6%
Financial Activities	12,250	13,486	-9.2%	1.0%
Information	2,292	2,363	-3.0%	2.5%
Leisure & Hospitality	20,547	19,632	4.7%	5.6%
Manufacturing	34,322	34,483	-0.5%	-0.5%
Natural Resources & Mining	3,689	3,555	3.8%	2.0%
Other Services	4,874	4,784	1.9%	1.9%
Professional & Business Services	12,967	12,786	1.4%	1.2%
Public Administration	9,299	9,189	1.2%	1.0%
Trade, Transportation, Utilities	40,998	40,917	0.2%	1.2%

In calendar year 2023, the total job base in the North Central region numbered 188,988 jobs; 198 more jobs than in 2022. From 2022 to 2023, employment in the region grew by 0.1 percent. This growth was slower than the Statewide growth rate of 1.5 percent.

Leisure & Hospitality and **Construction** both experienced the greatest proportional gain in jobs, with both industries growing at a rate of 4.7 percent over the year. Statewide, Construction grew at a slower rate of 4.2 percent, while Leisure & Hospitality grew at a faster rate of 5.6 percent. Across geographies and industries, Leisure & Hospitality was the most negatively impacted industry from COVID-19 – priming its recovery for high employment growth rates. Financial Activities experienced the greatest proportional loss of jobs, losing 1,236 jobs over the year; a decrease of 9.2 percent.

Total wages in North Central increased from 9.8 billion in 2022 to 10.2 billion in 2023. Total wages grew by 363.3 million (3.6 percent) over the year, growing at a slower pace than statewide wages (4.8 percent). The fastest growth in total wages by industry occurred in **Construction** for both the region and the state, growing at a rate of 9.6 percent and 9.4 percent respectively. In 2023, North Central's average annual wages were highest in **Financial Activities (\$66,688)**, **Construction (\$57,387)**, and **Manufacturing (\$57,272)**. In North Central, average annual wages for these industries grew by 6.5 percent, 5.3 percent, and 3.4 percent respectively over the year. Statewide, average annual wages for these industries grew by 3.7 percent, 5.1 percent, and 3.8 percent respectively over the year.

Northwest WDA

The Northwest WDA region consists of Ashland, Bayfield, Burnett, Douglas, Iron, Price, Rusk, Sawyer, Taylor, and Washburn counties.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	87,235	86,661	0.7%
Employment	83,652	83,199	0.5%
Unemployment	3,583	3,462	3.5%
Unemployment Rate	4.1%	4.0%	2.5%

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The 2023 LFPR in the Northwest WDA was 57.8 percent, up 0.5 percentage points from 2022. This was lower than the state's overall 0.7 percentage point increase in LFPR. The Northwest WDA had by far the lowest LFPR of any WDA in Wisconsin, 2.3 percentage points lower than the second lowest WDA and 7.5 percentage points lower than Wisconsin as a whole.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	64,948	64,679	0.4%	1.5%
Construction	3,318	3,382	-1.9%	4.2%
Education & Health Services	13,744	13,597	1.1%	2.6%
Financial Activities	2,032	2,044	-0.6%	1.0%
Information	493	514	-4.1%	2.5%
Leisure & Hospitality	8,341	7,914	5.4%	5.6%
Manufacturing	11,607	12,075	-3.9%	-0.5%
Natural Resources & Mining	1,031	1,044	-1.2%	2.0%
Other Services	1,595	1,526	4.5%	1.9%
Professional & Business Services	3,384	3,226	4.9%	1.2%
Public Administration	6,471	6,428	0.7%	1.0%
Trade, Transportation, Utilities	12,917	12,917	0.0%	1.2%

The covered employment in the Northwest WDA region was 64,948 in 2023, representing 2.2% of the overall jobs in the state. This is a small decrease over the region's 2022 percentage of overall jobs. The three largest supersectors in terms of employment are **Education & Health Services, Trade, Transportation, Utilities, and Manufacturing**. These three industries represent 58.9% of all jobs in Northwest Wisconsin. One of the three saw an increase in employment from 2022 to 2023. **Education & Healthcare** had an employment increase of 1.1%. **Trade, Transportation, Utilities** had no change in employment. **Manufacturing** decreased 3.9%. The industry supersector that saw the largest employment growth was **Leisure & Hospitality** with a 5.4% increase.

Overall wages (without accounting for inflation) in Northwest Wisconsin grew 2.9% which was higher than the employment growth rate of 0.4%. All supersectors in the Northwest Wisconsin experienced positive wage growth. **Financial Activities** saw the largest percentage increase at 6.7%. **Professional & Business Services** wages grew 6.0%. Wages in **Manufacturing** and **Construction** had the slowest growth at 1.9%.

South Central WDA

The South Central WDA is composed of six counties (Columbia, Dane, Dodge, Jefferson, Marquette, and Sauk). The economic center of this region is the city of Madison, the state's capital. The region includes a majority of the Madison Metropolitan Statistical Area (Columbia, Dane, Iowa, and Green counties).

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	509,627	499,178	2.1%
Employment	497,328	487,547	2.0%
Unemployment	12,299	11,631	5.7%
Unemployment Rate	2.4%	2.3%	4.3%

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The 2023 LFPR in the WDA was 70.0%, an increase of 0.7 percentage points from 2022. South Central ranked first among WDAs in the state in terms of LFPR in 2023. Much of this was driven by the high LFPR of Dane county, which had an LFPR of 71.6%.

The South Central region's labor force grew by 10,449 individuals from 2022 to 2023, a rate of 2.1%. Dane County alone accounted for 7,900 of that increase. Dane County, home to the capitol and the University of Wisconsin-Madison, has a younger population and more diverse population than other counties in the region.

The unemployment rate in South Central WDA of 2.4% in 2023 was the lowest in the state. This unemployment rate was a slight increase compared to the unemployment rate of 2.3% in 2022. The number of unemployed grew by 668 over that period.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	484,942	474,624	2.2%	1.5%
Construction	25,460	24,152	5.4%	4.2%
Education & Health Services	119,319	115,787	3.1%	2.6%
Financial Activities	25,823	26,053	-0.9%	1.0%
Information	20,182	18,560	8.7%	2.5%
Leisure & Hospitality	52,140	48,417	7.7%	5.6%
Manufacturing	59,146	59,617	-0.8%	-0.5%
Natural Resources & Mining	5,267	5,205	1.2%	2.0%
Other Services	14,185	13,969	1.5%	1.9%
Professional & Business Services	56,034	56,202	-0.3%	1.2%
Public Administration	28,557	28,077	1.7%	1.0%
Trade, Transportation, Utilities	77,419	77,153	0.3%	1.2%

The largest sector in South Central in 2023 was **Education & Health Services**, with 119,319 covered employees, accounting for 24.6% of all covered employment in the region. This sector grew at a rate of 3.1% from 2022 to 2023, outpacing the sector's overall growth in the state. **Trade, Transportation, Utilities** was the second-largest sector, accounting for 16.0% of all employment in the region in 2023. While the **Information** sector was the second smallest, it was also the fastest growing in 2023. The sector grew at a rate of 8.7%, significantly faster than the 2.6% growth rate for the state.

Total payroll in the region in 2023 was \$32.2 billion, an increase of 4.7% compared to 2022. This was slightly slower than the state as a whole, in which total wages grew by 4.8%. While the **Information** sector was the South Central's fastest-growing sector in terms of employment, it was the slowest in terms of wages. Total wages in the **Information** sector grew by only 0.5% from 2022 to 2023. This could indicate a change in the composition of the employment of the sector from highly paid occupations to lower-paying ones.

Southeast WDA

The Southeastern Workforce Development Area consists of three counties in the southeastern most part of the state. The region includes Kenosha County, Racine County, and Walworth County. The City of Kenosha and the City of Racine provide ample opportunities for job development within the region, while Milwaukee and Chicago provide employment opportunities outside of the region.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	250,648	247,087	1.4%
Employment	242,219	239,015	1.3%
Unemployment	8,429	8,072	4.4%
Unemployment Rate	3.4%	3.3%	3.0%

In calendar year 2023, Southeast's labor force totaled 250,648 participants consisting of 242,219 employed and 8,429 unemployed. From 2022 to 2023, the labor force gained 3,561 participants: a 1.4% percent decrease. The number of employed rose by 1.3% percent over the while the number of unemployed rose by 4.4 percent over the year.

The Southeast WDA unemployment rate was 3.4 percent in 2023; a 0.1 percentage point increase from 2022. This rate was higher than the statewide rate of 3.0 percent. Generally, the WDA experiences a slightly higher unemployment rate than that seen statewide but follows similar trends.

The Labor Force Participation Rate (LFPR) for the WDA in 2023 was 65.9 percent. The regional LFPR increased by 0.9 percentage points relative to 2023.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2022	WDA Monthly Employment 2023	WDA Percent Change	Percent Change Statewide
Total, All Industries	187,251	191,975	2.5%	1.5%
Construction	6,866	7,105	3.5%	4.2%
Education & Health Services	38,096	39,283	3.1%	2.6%
Financial Activities	4,752	5,035	6.0%	1.0%
Information	768	829	7.9%	2.5%
Leisure & Hospitality	21,845	22,690	3.9%	5.6%
Manufacturing	35,788	36,354	1.6%	-0.5%
Natural Resources & Mining	1,107	1,176	6.2%	2.0%
Other Services	4,392	4,550	3.6%	1.9%
Professional & Business Services	18,807	18,865	0.3%	1.2%
Public Administration	8,797	8,930	1.5%	1.0%
Trade, Transportation, Utilities	46,030	47,156	2.4%	1.2%

In calendar year 2023, the total job base in the Southeast region numbered 191,975 jobs: 4,724 more jobs than in 2022, up about 2.5 percent.

The **Education & Health Services** supersector saw an increase of 1,187 jobs over the year: up 3.1% percent, which was the largest numeric gain in the WDA. The **Trade, Transportation, Utilities** supersector saw the second highest numeric gain (+1,126). Notably, **Financial Activities** growth (+6.0%) exceeded statewide growth in the industry (+1.0%).

Total area wages increased from \$10.0 billion in 2022 to \$10.7 (6.6%). This rate was higher than the statewide rate of 4.8 percent. Total wages grew for all industry subsectors in the region. Previously unmentioned industries that experienced relatively high total wage gains include **Natural Resources & Mining** (+31.5%) and **Professional & Business Services** (+18.8%).

Southwest WDA

The Southwest WDA region is composed of six counties (Grant, Green, Iowa, Lafayette, Richland, and Rock). It borders Iowa and Minnesota to the west and Illinois to the south. The two largest cities in the region are Janesville and Beloit, both along the I-90 highway corridor leading towards Illinois. The western portion incorporates part of the broader Madison Metropolitan Statistical area (Green and Iowa counties) as well as comprising the Janesville-Beloit MSA (Rock County).

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	169,914	166,868	1.8%
Employment	164,748	161,816	1.8%
Unemployment	5,166	5,052	2.3%
Unemployment Rate	3.0%	3.0%	0.0%

In calendar year 2023, the Southwest region's labor force totaled 169,914 individuals, 5,166 of whom were unemployed. From 2022 to 2023, the region's labor force grew by 3,045, with four of six counties gaining individuals in the labor force. The number of employed and unemployed individuals both grew at a relatively similar from 2022 to 2023, leading to the unemployment rate staying essentially unchanged. The Southwest WDA's unemployment rate of 3.0% in both 2022 and 2023 closely matched Wisconsin's overall unemployment in this period (2.9% in 2022 and 3.0% in 2023).

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	122,744	119,393	2.8%	1.5%
Construction	6,142	5,754	6.7%	4.2%
Education & Health Services	27,324	26,493	3.1%	2.6%
Financial Activities	3,580	3,466	3.3%	1.0%
Information	1,522	1,734	-12.2%	2.5%
Leisure & Hospitality	11,253	10,711	5.1%	5.6%
Manufacturing	22,913	21,905	4.6%	-0.5%
Natural Resources & Mining	2,662	2,660	0.1%	2.0%
Other Services	2,768	2,678	3.4%	1.9%
Professional & Business Services	8,719	8,686	0.4%	1.2%
Public Administration	6,131	6,161	-0.5%	1.0%
Trade, Transportation, Utilities	29,739	29,148	2.0%	1.2%

In calendar year 2023, the total employment in the Southwest WDA was 122,744 individuals, up 3,351 individuals from 2022. In both 2023 and 2022, the largest sector was **Trade, Transportation, Utilities**, accounting for 24.2% of overall employment in the region. From 2022 to 2023, this supersector saw employment increase by 591 for a growth rate of 2.0%, outpacing the state overall. The fastest growing supersector in the region was **Construction**, which grew by 6.7%, adding 388 in employment. However, **Construction** accounted only for 5% of overall employment.

Total area wages increased from \$6.2 billion in 2022 to \$6.5 billion in 2023, growing at a rate of 6.0%. In this region, total wages grew faster than the state as a whole, in which total wages grew by 4.8%. The **Information** supersector was the only supersector which experienced a decline in total wages from 2022 to 2023. **Information** was also the smallest industry in terms of employment, making it more susceptible to volatility.

West Central WDA

The West Central Workforce Development Area (WDA) is composed of nine counties in northwestern Wisconsin (Barron, Clark, Chippewa, Dunn, Eau Claire, Pepin, Pierce, Polk, and St. Croix). It is among the state's fastest growing regions in terms of population and economic growth. The region also benefits from its location along the I-94 corridor, just east of the Twin Cities in Minnesota. The effects of this proximity can be seen throughout the region, though it is most obvious in the border counties.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	265,479	261,678	1.5%
Employment	256,652	253,634	1.2%
Unemployment	8,827	8,044	9.7%
Unemployment Rate	3.3%	3.1%	6.5%

The labor force participation rate (LFPR) is defined as the share of the 16 and older non-institutional population (not incarcerated or in nursing facilities) that is in the labor force (working or seeking work). The LFPR for the West Central WDA was 66.6% during 2023, a slight increase compared to its LFPR of 66.1% during 2022. West Central's LFPR has been higher than Wisconsin's over the past two years; Wisconsin's LFPR was 65.2% in 2022 and 65.8% in 2023. The labor force of seven out of the region's nine counties grew – for a total growth of 3,801 individuals. West Central also added 783 unemployed from 2022 to 2023. Overall, this increase in unemployment led to a rise in the unemployment rate from a low of 3.1% in 2022 to 3.3% in 2023.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	200,287	198,052	1.1%	1.5%
Construction	9,224	8,983	2.7%	4.2%
Education & Health Services	48,661	47,054	3.4%	2.6%
Financial Activities	6,009	7,044	-14.7%	1.0%
Information	1,397	1,396	0.1%	2.5%
Leisure & Hospitality	21,190	20,024	5.8%	5.6%
Manufacturing	36,484	37,337	-2.3%	-0.5%
Natural Resources & Mining	3,210	3,169	1.3%	2.0%
Other Services	4,811	4,603	4.5%	1.9%
Professional & Business Services	15,549	15,102	3.0%	1.2%
Public Administration	9,813	9,840	-0.3%	1.0%
Trade, Transportation, Utilities	43,884	43,447	1.0%	1.2%

The West Central region added 2,236 employed individuals from 2022 to 2023, growing by 198,052 in 2022 to 200,287 in 2023, for a growth of 1.1%, just shy of the state's overall 1.5% employment growth during that time.

Employment in the region's largest supersector, **Education & Health Services** grew by 3.4%, adding 1,607 employed individuals. Growth in this sector outpaced by Wisconsin's overall growth in the that industry. The fastest-growing industry was **Leisure & Hospitality**, which grew by 5.8%. However, this rapid growth was not exceptional; Wisconsin's employment in this supersector grew by 5.6% during this period. The **Manufacturing** sector, which made up 18.2% of all employment in the region, declined by 2.3%.

Western WDA

The Western Workforce Development Area (WDA) includes eight counties: Buffalo, Crawford, Jackson, Juneau, La Crosse, Monroe, Trempealeau, and Vernon. Within this region lies the La Crosse-Onalaska Metropolitan Statistical Area (MSA), which contains La Crosse County in Wisconsin and Houston County in Minnesota. However, Houston County is not part of the Western WDA regional data.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	156,791	154,856	1.2%
Employment	152,156	150,417	1.2%
Unemployment	4,635	4,439	4.4%
Unemployment Rate	3.0%	2.9%	3.4%

The region's labor force grew by 1,935 individuals from 2022 to 2023, with employment rising by 1,739 and unemployment increasing by 196 individuals. As a result, the unemployment rate grew by 0.1%, reaching 3.0% in 2023.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2023	WDA Monthly Employment 2022	WDA Percent Change	Percent Change Statewide
Total, All Industries	138,951	138,270	0.5%	1.5%
Construction	5,556	5,423	2.5%	4.2%
Education & Health Services	37,124	36,050	3.0%	2.6%
Financial Activities	4,561	6,330	-27.9%	1.0%
Information	1,086	1,057	2.7%	2.5%
Leisure & Hospitality	13,706	13,003	5.4%	5.6%
Manufacturing	21,859	22,238	-1.7%	-0.5%
Natural Resources & Mining	2,870	2,831	1.4%	2.0%
Other Services	3,720	3,567	4.3%	1.9%
Professional & Business Services	9,761	9,500	2.7%	1.2%
Public Administration	8,278	8,338	-0.7%	1.0%
Trade, Transportation, Utilities	30,434	29,938	1.7%	1.2%

The three largest industries in the region remained the same from 2022 to 2023, comprising of roughly 64.4% of industry jobs in 2023: **Education & Health Services (26.7%)**; **Trade, Transportation, Utilities (21.9%)**; and **Manufacturing (15.7%)**.

Financial Activities, **Manufacturing**, and **Public Administration** were the three industries to experience a decline in growth from 2022. **Public Administration** had a decrease of 0.7%, and **Manufacturing** recorded a percent change of -1.7%. However, **Financial Activities** saw a more significant decrease of 27.9%. This decline is believed to stem not from job losses but rather from a coding change that shifted some employment out of the region between 2022 and 2023.

The **Leisure & Hospitality** and **Other Services** industries experienced the highest percentage of growth from 2022 to 2023, with **Leisure & Hospitality** leading at 5.4% and **Other Services** following with a growth of 4.3%. Overall, industry jobs in the Western region of Wisconsin increased by 0.5% during this period.

WOW WDA

The WOW Workforce Development Area consists of three counties in the southeastern part of the state. The region includes Waukesha County, Ozaukee County, and Washington County. The WOW WDA is undoubtedly linked to the Milwaukee WDA. Much of the past growth and development in the region is a direct result of urban sprawl from the City of Milwaukee. The region relies on Milwaukee as a cultural and employment center, and Milwaukee relies on WOW residents to work and engage in recreation in the city.

Labor Force (LAUS)

	2023	2022	Percent Change
Labor Force	353,902	350,231	1.0%
Employment	344,634	341,627	0.9%
Unemployment	9,268	8,604	7.7%
Unemployment Rate	2.6%	2.5%	4.0%

In calendar year 2023, WOW's labor force totaled 353,902 participants consisting of 344,634 employed and 9,268 unemployed. From 2022 to 2023, the labor force gained 3,671 participants: a 1.0 percent increase. While the number of employed rose by 0.9 percent over the year, the number of unemployed also rose by 7.7 percent.

The WOW WDA unemployment rate was 2.6 percent in 2023; a 0.1 percentage point increase from 2021. This rate was lower than the statewide rate of 3.0 percent. Generally, the WDA experiences a lower unemployment rate than that seen statewide.

The Labor Force Participation Rate (LFPR) for the WDA in 2023 was 66.9 percent. The regional LFPR increased by 0.6 percentage points relative to 2022.

Employment and Wages (QCEW)

Industry	WDA Monthly Employment 2022	WDA Monthly Employment 2023	WDA Percent Change	Percent Change Statewide
Total, All Industries	340,370	346,057	1.7%	1.5%
Construction	22,177	23,236	4.8%	4.2%
Education & Health Services	60,697	62,861	3.6%	2.6%
Financial Activities	19,614	19,205	-2.1%	1.0%
Information	4,175	3,726	-10.8%	2.5%
Leisure & Hospitality	31,259	32,855	5.1%	5.6%
Manufacturing	65,737	65,828	0.1%	-0.5%
Natural Resources & Mining	1,409	1,448	2.8%	2.0%
Other Services	11,003	11,075	0.7%	1.9%
Professional & Business Services	45,141	45,326	0.4%	1.2%
Public Administration	9,612	9,580	-0.3%	1.0%
Trade, Transportation, Utilities	69,546	70,919	2.0%	1.2%

In calendar year 2023, the total job base in the WOW region numbered 346,057 jobs; 5,687 more jobs than in 2022, up about 1.5 percent.

The **Education & Health Services** supersector saw an increase of 2,164 jobs over the year: up 2.6 percent. This was the largest numeric gain in the region. **Leisure & Hospitality** had the largest percent growth, growing by 5.6% (+1,059 jobs). **Financial Activities** and **Information** lost 409 and 449 jobs, respectively.

Total area wages increased from \$21.5 billion in 2022 to \$22.3 billion in 2023. Area wages grew by \$820.2 million (3.8%) from 2022 to 2023. This rate was lower than the statewide rate of 4.8 percent. **Leisure & Hospitality** (+9.0%) and **Construction** (+8.3%) had the largest growth rates. **Financial Activities** (-3.0%) was the only supersector to have declining total wages.

Notes

Regional information from about wages and employment statistics from the Quarterly Census on Employment and Wages (QCEW) are subject to statistical confidentiality. Data from certain industries in certain counties can be suppressed if publishing that data could potentially identify individuals or employers. This suppression can result in a systematic underestimation of employment in counties and industries with a small number of employers or employees.